

28442

HOLLAND & HART LLP



William F. Carr
wcarr@hollandhart.com

March 15, 2005

BY FACSIMILE AND U. S. MAIL

FAX NO. (505) 393-0720

Oil Conservation Division
District I
1625 North French Drive
Hobbs, New Mexico 88240

Attention: Donna Mull

Re: EOG Resources, Inc.
Government A Well No. 2
Section 10, Township 22 South, Range 34 East, NMPM
NOTICE OF VIOLATION – March 7, 2005

Dear Ms. Mull;

Thank you for providing me a copy of Oil Conservation Division Administrative Order NSL-17733 which approved an unorthodox well location in the Atoka and Morrow formations for the Government A Well No. 2 at a point 990 feet from the North line and 660 feet from the East line of Section 10, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The E/2 of Section 10 is dedicated to the well.

When this Administrative Order was entered on September 8, 1983, I believe the rules for deep gas required wells to be drilled 660 feet from the side boundary and 1980 feet from the end boundary of the dedicated spacing unit. As you know, these rules were amended in August 1999 to permit a deep gas well to be drilled 660 feet from the outer boundary of the quarter section on which it is located unless the location is subject to Special Pool Rules. This location in the Strawn formation is in the East Grama Ridge-Strawn Gas Pool. My review of the Byram Reports shows no Special Rules for this pool. Accordingly, it appears to me that although this well was at an unorthodox location when drilled, the location is now standard.

If you agree with my reading of the rules, EOG Resources, Inc. requests that this Notice of Violation be rescinded.


I am available to discuss this matter with you at your convenience.

Holland & Hart LLP

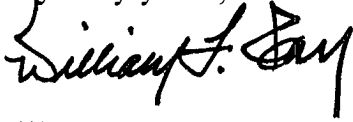
Phone (505) 988-4421 Fax (505) 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

HOLLAND & HART  LLP

Very truly yours,



William F. Carr
ATTORNEY FOR EOG RESOURCES, INC.

cc: Patrick J. Tower
Division Land Specialist
EOG Resources, Inc.
Post office Box 2267
Midland, Texas 79702